

Meeting Notes
Bridge Enterprise Workshop
CDOT HQ
March 21, 2012

CBE Board of Directors/Executive Director: Vice Chairman G. Reiff, Director D. Hunt, G. Ortiz, K. Gilliland, K. Connell, L. Gruen, H. Barry and D. Aden

CDOT Staff: T. Harris, S. McDaniel, B. Stein, L. Freedle, M. Krasny, K. Hruska, T. Devito, D. Eller, T. Wrona, J. Olson, K. Neet, R. Akhavan, H. Stockinger, H. Morrow, D. Perkins-Smith, M. Imhoff and T. Bircher

BE Program Manager: K. Szeliga, M. Klopfenstein, and J. Laipply

The meeting was led by Vice Chairman Gary Reiff and the following items were discussed.

1. Vice Chairman Reiff called the meeting to order.
2. L. Freedle presented the Proposed 10th Budget Supplement for FY 2012.
 - She noted there are two actions this month.
 - L. Freedle highlighted the Region 6 project, Pecos Street over I70 request for the pedestrian bridge long lead procurement.
 - No comments were noted.
3. B. Stein discussed the selection of an OCIP/ROCIP insurance broker.
 - B. Stein reported that Lockton was selected via an exhaustive procurement process.
 - B. Stein noted that Lockton was also used for the TREX program and the same team will be available for this contract.
 - The contract should be completed by the end of the month to begin various feasibility studies and writing of specifications.
4. B. Stein presented the Q2 FY2012 Bond Allocation Plan Update.
 - There are 73 bridges currently included within the bond program; a subset of 158 FASTER eligible bridges. The estimated cost to complete all 73 structures is approximately \$636M. The current bond program partially funds 23 structures and fully funds 50 structures.
 - There is a \$257M funding short-fall to complete all structures which would have to come from other funding (i.e., FASTER pay-go or future bond issuance).
 - B. Stein noted that there was an estimated 4 to 5 month lag on cash payments (or disbursement of dollars) as compared to the earned value of work complete in the field projected by the program schedule.
 - The current bond program is still on schedule to meet the 85% spending requirement by December 2013. He believes this construction season will give a clearer picture of the payment lag that occurs.
 - Director Reiff asked when the next bond issuance is expected. B. Stein highlighted the encumbrance table (included within the commissioner booklets) which shows the current bond program will be fully committed by late Summer 2012, and other available funding (FASTER pay-go dollars) can fund projects through the Spring / Summer of 2013. Therefore, he would recommend the next bond issuance be no earlier than approximately one year from now which would be the Spring of 2013.

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- Both Director Reiff and B. Stein noted that the that investment bankers are recommending going to the bond markets now due to low / desirable interest rates. It was noted that interest rates had gone up 10-25 basis points in the recent past; suggesting that the cost of money will increase. B. Stein noted that he was reluctant on securing more bond dollars to soon as he would have the same spending requirements; 85% spent within 3 years of receipt.
 - Director Gruen asked if the market could be watched for triggers that indicate the need to bond earlier. B. Stein responded that this is being done.
 - Director Reiff asked if the size or the issuance cost would affect the timing. Ben responded he is planning for a bond in the \$200M to \$250M range.
5. S. McDaniel presented the UPRR programmatic agreement.
- S. McDaniel noted that a Programmatic Master Agreement has been executed with the UPRR. This agreement is for all CDOT projects and should greatly speed up the process for Task Orders with the UPRR.
 - S. McDaniel also wanted to thank T. Lang for all of her work on the agreement.
 - He noted that CDOT is also working with BNSF on an agreement as well.
6. S. McDaniel presented the draft of an Allowable Bridge Aesthetic Enhancement Policy document.
- He noted that there is currently no policy in place and presented a proposed guidance for BE projects. S. McDaniel highlighted the program goal of no more than 2% and project goal of no more than 5%.
 - Director Aden commented that he felt the 5% goal was high. T. Harris responded that this was a maximum amount for a project. S. McDaniel added that it is expected that most projects will be under the 2% goal.
 - Overall the Board did not take issue with proposed guidance and ability for BE to fund aesthetic enhancements.
7. S. McDaniel presented ABC Deployment Guidance Document.
- S. McDaniel informed the Commissioners that a policy is being drafted and will be presented to the Board that will outline guidance on when it is appropriate to use ABC Deployment for a bridge. He noted that ABC encompasses more than roll-in bridge projects, for example, pre-fab elements are also considered ABC.
8. The meeting was adjourned.

End of Meeting Notes